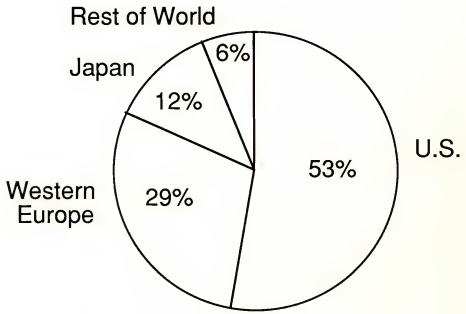
World Software and Services Market



1989 $178 billion

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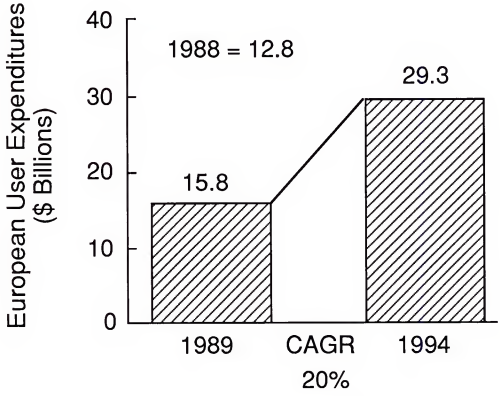
Professional Services Market

Western Europe



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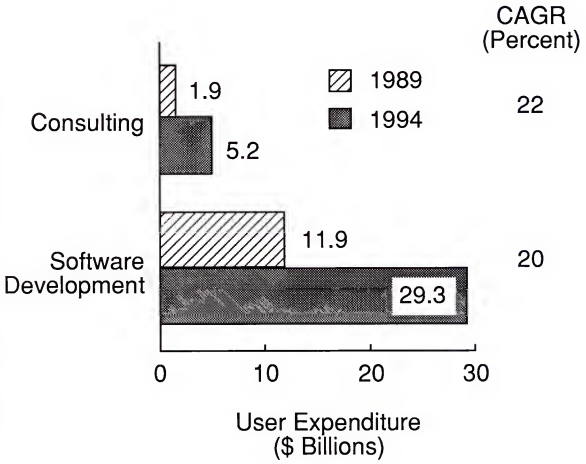
Professional Services

Europe



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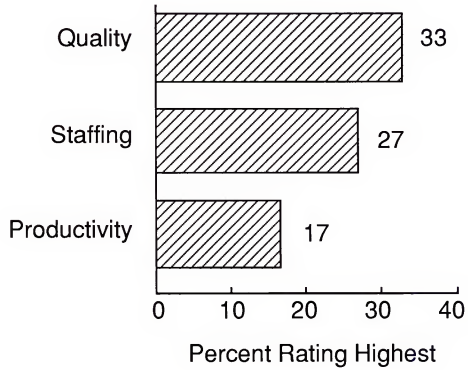
Professional Services—Europe
Key Vendor Challenges



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Recommendations

- Strategic consultancy
- Products and services
- Maintenance
- T.Q.M.
- Two approaches
  - Contracting
  - Technology partnership

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Definition

Systems Operations
(Facilities Management)

- Processing services
  - Vendor-owned equipment
- Professional services
  - Client-owned equipment

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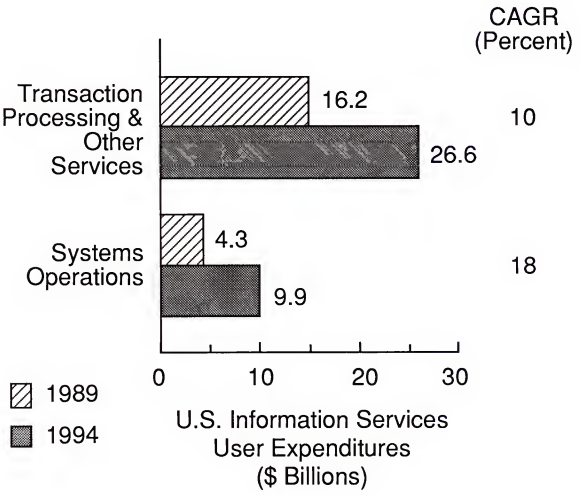
Processing Services



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Emerging Opportunities
Systems Operations

- Fastest-growing segment of processing market—18% CAGR fueled by:
  - Changing attitudes of IS executives
  - Systems integration "drag"
  - Shortages of in-house staff
- Emerging component of hardware vendors' strategies

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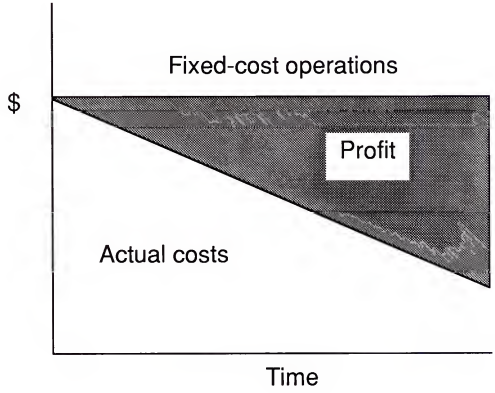
Systems Operations
Efficiency Yields Profits



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Trends

- Accelerating pace of mergers and acquisitions since 1984-1985
- Highest level of activity in software products and professional services/SI
- Strong interest in processing services companies— outsourcing factor
- Increasing industry consolidation
- Interest in larger companies

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Conclusions

- Information services industry undergoing a period of accelerated consolidation
  - Total solutions/SI programs
  - Correlation with maturing markets
  - Leading to "final stage" shakeouts

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